

2005 TIME PERIOD OF FSA SETTLEMENT**ASSETS****HELD FOR LIVESTOCK FEED & BEDDING**

2004 WHEAT STRAW - 95 TON X \$125.00/TON	\$11,875.00
2004 CORN 12,237.38 BU X \$2.60/BUSHEL	\$31,817.19

LIVESTOCK

BEEF COWS - 56 HEAD @ \$720.00/HEAD	\$40,320.00
BEEF CALVES - 51 HEAD @ \$500.00/HEAD	\$25,500.00

OWED TO KEITH SHEARER

2004 CROP INSURANCE CLAIM	\$583.00
2004 FSA LDP CORN MONEY - \$16,923.7 BUSHEL @ \$.22/BUSHEL	\$3,723.21
2004 FSA FARM PROGRAM PAYMENT	\$802.00

TOTAL	\$114,620.40
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EQUIPMENT

AUGUST 2004 LETTER FROM CARLSON ON PAYOFF AMOUNT ON EQUIPMENT	\$179,300.00
OUR CHAPTER 12 APPRAISAL ON EQUIPMENT	\$174,550.00
KEITH SHEARER FARM @ 500 BAIRS ROAD, YORK PA	\$705,000.00
MARCH 2003 APPRAISAL BY FSA WITHOUT 2 - 1 ACRE LOTS	

TOTAL	\$884,300.00
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TOTAL ASSETS	\$998,920.40
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LIABILITIES

1ST LIEN TOM NORRIS	\$162,016.22
2ND LIEN FULTON BANK	\$240,000.00
3RD & 4TH LIEN CRAIG DALLMEYER & JOHN & SHIRLEY SHEARER	\$240,000.00

<u>TOTAL</u>	\$846,016.22
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FULTON BANK PENALTIES & LEGAL FEES UNKNOWN FROM CHAPTER 12 BANKRUPTCY 6/30/03	- UNKNOWN
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CGA LAW FIRM FEES	\$35,000.00
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<u>TOTAL LIABILITIES (KNOWN)</u>	\$846,016.22
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Exhibit B

Original

Nutrient Management Plan

prepared for:

Don Hershey

Green Valley

RR #3, Box 3005
Seven Valleys, PA 17360

July 30, 1998

prepared by:

William J. Rogers

Brubaker Agronomic Consulting Service, Inc.

4340 Oregon Pike
Ephrata, Pennsylvania 17522



FOR CAOs

Required Nutrient Management Plan Elements

I. Farm Identification Section	
A. Operator's name, address, and telephone number	1
B. County(s) where operation is located	1
C. Farm description	1
D. Name(s) of receiving streams	1
E. Indication of any DEP special protection waters	1
F. Total acres of the operation	1
G. Total acres to which nutrients will be applied (owned and rented)	1
H. Number of AEU's per acre	1
I. Name and certification number of Nutrient Management Specialist	2
J. Operator signature	2
K. Farm maps	
1. field and operation boundaries (with field numbers and field acres)	10-11
2. soil types and slopes	12-13
3. areas where manure application is limited	10-11
II. Summary of Plan Section	
A. Manure summary table	
1. total manure generated on the operation annually	3
2. total manure used on the operation annually	3
3. total manure exported from the operation annually	3
B. Nutrient application rates by field or crop group	3
C. General summary of excess manure utilization procedures	4
D. Implementation schedule	4
E. Manure management and stormwater BMPs	
1. the summary of planned BMPs is required for CAOs	4
III. Nutrient Application Section	
A. Amounts of the various nutrient sources used on the operation	6
B. The number of animals of each animal type	5
C. Acreage and expected crop yields for each crop group	6
D. The amount of nutrients necessary to meet expected crop yields	6
E. The nutrient content of the manure	5
F. The amount of nitrogen available from the manure(s)	7
1. planned manure incorporation time	7
G. Residual nitrogen from legumes and past manure applications	6
H. Planned manure application rate	6
I. Target spreading periods for manure application	7
J. Nitrogen balance calculation	7
K. Winter manure spreading procedures (if applicable)	NA

IV. Alternative Manure Use Section (For CAOs)

A. If exported to known landowners

1. amount of manure to be exported annually-----8
2. name and location of importing operation-----8
3. estimated number of acres available for application at importing site-----8
4. estimated amount of manure that could be exported to each site-----8
5. intended season(s) for the transfer(s)-----8

V. Manure Management (Barnyard) Section

- A. BMPs to address problem areas-----9
- B. Areas to be used for temporary storage of manure-----9

VI. Storm Water Runoff Control Section

- A. Assessment identifying critical runoff problem areas-----9
- B. List of BMPs to address critical runoff problem areas-----9

Farm Information Section

Operator Information

Don Hershey
Green Valley
RR #3, Box 3005
Seven Valleys, PA 17360

(717) 299-0588

County

York County / North Codorus Township

Farm Description

This farm contains 4,100 sows that are farrowing piglets. The piglets are raised to a weight of 13 pounds and sent to nursery operations off site. There are 50 boars and 125 replacement gilts on this operation. The facility is owned by Mr. Hershey but the animals are owned and operated by Purina Mills, Inc.

There is approximately 500 total acres associated with this operation and 403.3 tillable acres. The tillable acres are rented to Keith Sheare. His normal crop rotation is corn/soybeans/wheat. The manure is only applied after the wheat crop and prior to the corn crop. Therefore, an individual field only receives manure 1 out of 3 years. The manure is injected to reduce odors. To utilize 100% of the manure with a fall application only 206 acres are needed. If 100% of the manure is injected in the spring 530 acres will be needed. It is customary to apply 70% of the manure in the fall and 30% in the spring. Therefore, only a total of 324 acres will be needed, 142 for the fall applications and 182 for the spring applications. Mr. Sheare will use the manure on the two farms owned by Mr. Hershey and many other farms that he rents in the area.

Receiving Stream

South Branch Codorus Creek

Special Protection Waters

None - WWF - Warm Water Fishes

Total Acres of Operation

~500

Total Acres Where Nutrients Will be Applied

Owned:	403.3 ¹
Rented:	0.0
Total:	403.3

Number of Animal Equivalent Units for the Operation (on an annualized basis)

1,716.875

Animal Equivalent Units per Acre

Infinite²

¹ These acres are controlled by Keith Sheare.

² There are no acres under the management control of Mr. Hershey

Name and Certification Number of the Specialist Preparing the Plan

William J. Rogers

Certification number: 272

Signature of Operator:

I concur with the information and practices outlined in this plan.

Signature of Operator:

Donald C. Hershey

Date: 9-24-98

Plan Summary

Manure Summary Table			
Manure Source	Generated on the Farm(s)	Used on the Farm(s)	Exported from the farm(s)
Sows w/piglets	943,523 gal.	-	-
Gestating Sows	2,102,400 gal.	-	-
Boars	34,675 gal.	-	-
Gilts	53,719 gal.	-	-
Total Manure	3,134,319 gal.	-	-
Rainwater ³	260,678 gal.	-	-
Wash Water ⁴	963,714 gal.	-	-
Total to be Applied	4,360,711 gallons	0	4,360,711 gallons

Nutrient Application Rates by Crop Group							
Current Crop	Previous Crop	Starter Fertilizer Nitrogen (lb. / Acre)	Manure Group	Planned Manure Application Rate/ac.	Manure App. Timing	Manure Inc. Timing	Additional Chemical Fertilizer Nitrogen Applied
Corn	Wheat	0	Swine	29,000 gal. ⁵	Fall	NA	0
Corn	Wheat	0	Swine	11,000 gal.	Spring	0 days	0
Wheat	Soybeans	0	None	--	--	--	0
Soybeans	Corn	0	None	--	--	--	0

- All numbers rounded off recognizing the built-in variation in figures used.
- P and K crop needs are met by manure applications.
- Manure application is restricted in the following areas:
 - Within 100 feet of the farm well (FARM #1: field 7 FARM #2: field 14 and 16) and the neighbor's well (FARM #1 field 7), where surface flow is towards the well (unless the manure is incorporated within 24 hours of application, in which case manure application rates and supplemental fertilizer needs may need to be adjusted)
 - Within 200 feet of South Branch due to slopes being greater than 8% (FARM #1: field 4, 6, 9, 13, 14, 15, 16, 17, and 18) when the ground is frozen, snow covered, or saturated.
 - Within the grassed waterway when the ground is frozen, snow covered, or saturated (FARM #1: field 1, 10, 14, 15, 16, 17, and 18 FARM #2: field 2, 3, 5, 7, 9, 13, 14, 19, 20, 21, and 22)
 - No manure applications are planned when the ground is frozen, snow covered, or saturated.

³ This is assuming a surface area of 0.8 acres, an excess rainfall of 12 inches, since the pits are crusted, and that 1 acre inch is 27,154 gallons. This data is calculated but is taken from the actual rainfall measured for York County and averaged for the NRCS. The procedure presented in this NMP is standard accepted design practices by the NRCS.

⁴ The wash water production is 1.54 gallons/AEU/day. This data was taken from another swine operation of the same style that had accurately measured their washdown and flow-over water. There are no other "book values" or estimates available to more accurately determine the exact amount of added washwater.

⁵ This manure application should be split applied, no less than 5 days between applications, with no single application being greater than 10,000 gallons per acre.

Excess Manure Summary

The excess manure from this animal operation is handled by Mr. Sheare. Manure is exported to other farms either owned or rented by Mr. Sheare.

Summary of Best Management Practices (BMPs) and the Implementation Schedule:

Best Management Practice	Location for BMP	Implementation Date
Collect manure sample	Manure Pit	Every other year
Update Conservation Plan	Whole Farm	Summer 1998 through Spring 1999
Develop a PPC plan	Whole Farm	Fall 1998, Spring 1999

Nutrient Application Section

Animal Numbers and Manure Generation

Manure Group #1:

Sows w/piglets

Animal number - 500
 Animal average weight - 470
 AEU's calculated - 235
 Dates for this manure type - 365
 Total manure produced - 943,525 gallons (Assuming 11 gal/AEU/day*)
 Nitrogen content - 3.5 lb./100 gal.

Manure Group #2

Gestating Sows

Animal number - 3600
 Animal average weight - 400
 AEU's calculated - 1,440
 Dates for this manure type - 365
 Total manure produced - 2,102,400 gallons (Assuming 4 gal/AEU/day*)
 Nitrogen content - 3.5 lb./100 gal.

Manure Group #3

Boars

Animal number - 50
 Animal average weight - 475
 AEU's calculated - 23.75
 Dates for this manure type - 365
 Total manure produced - 34,675 gallons (Assuming 4 gal/AEU/day*)
 Nitrogen content - 3.5 lb./100 gal.

Manure Group #4

Guilts

Animal number - 125
 Animal average weight - 145
 AEU's calculated - 18.125
 Dates for this manure type - 365
 Total manure produced - 53,719 gallons (Assuming 8.12 gal/AEU/day*)
 Nitrogen content - 3.5 lb./100 gal.

* This is manure production only and does not include rainwater or washdown water. The manure production figures are derived from converting the solid manure production figures in the Agronomy Guide to liquid figures using the assumption that 250 gallons of manure is equal to one solid ton of manure.

Nutrient Sources Used on this Operation

Nutrient Source	Amount	Total Nitrogen Contribution (lb.)
Swine Manure	2,700,000 gallons (estimated)	59,670

Gross and Net Nutrient Needs by Crop Group:

Current Crop	Previous Crop	Estimated Acres ⁷	Expected Yield (per ac)	Nitrogen Needed (lb./ac)	Starter Fertilizer Used (lb./acre)	Residual N (lb. per acre)		Net Nitrogen Needs (lb./ac)
						MANURE	LEGUME	
Corn	Wheat	134.5	125 bu.	130	0	0.0 ⁸	-	130
Wheat	Soybeans	134.4	70 bu.	105	0	0.0	50	55
Soybeans	Corn	134.4	50 bu.	160	0	96.2 ⁹	-	63.8
Mixed Hay ¹⁰	Mixed Hay	--	4.0 ton	160	0	88.4 ¹¹	-	71.6

⁷ On the average over the three year life of this plan the farm will be planted once into corn, once into soybeans, and once into wheat. Therefore, we have estimated that on the average one third of the farm will be in corn. In any one given year the acres listed here may not be true due to the total rotation of the farm.

⁸ Manure is applied to each field only prior to the corn crop. The standard rotation for this farm is corn/beans/wheat. Therefore, the fields manure history is receiving manure 1 of 3 years or, according to The Agronomy Guide, rarely receiving manure since it is less than 4 out of ten years (3.3 out of 10)

⁹ This assumption is contrary to the Agronomy Guide. They would assume no residual, it is my professional judgment that there is some residual for the following soybean crop from the previously applied manure on the corn and I have accounted for this using an availability of 15% for the 29,000 gallons per acre application rate.

¹⁰ No mixed hay is currently grown on the farms owned by Mr. Hershey. This is added as a guidance to those who may be importing manure and would like some guidance for applications of manure on mixed hay.

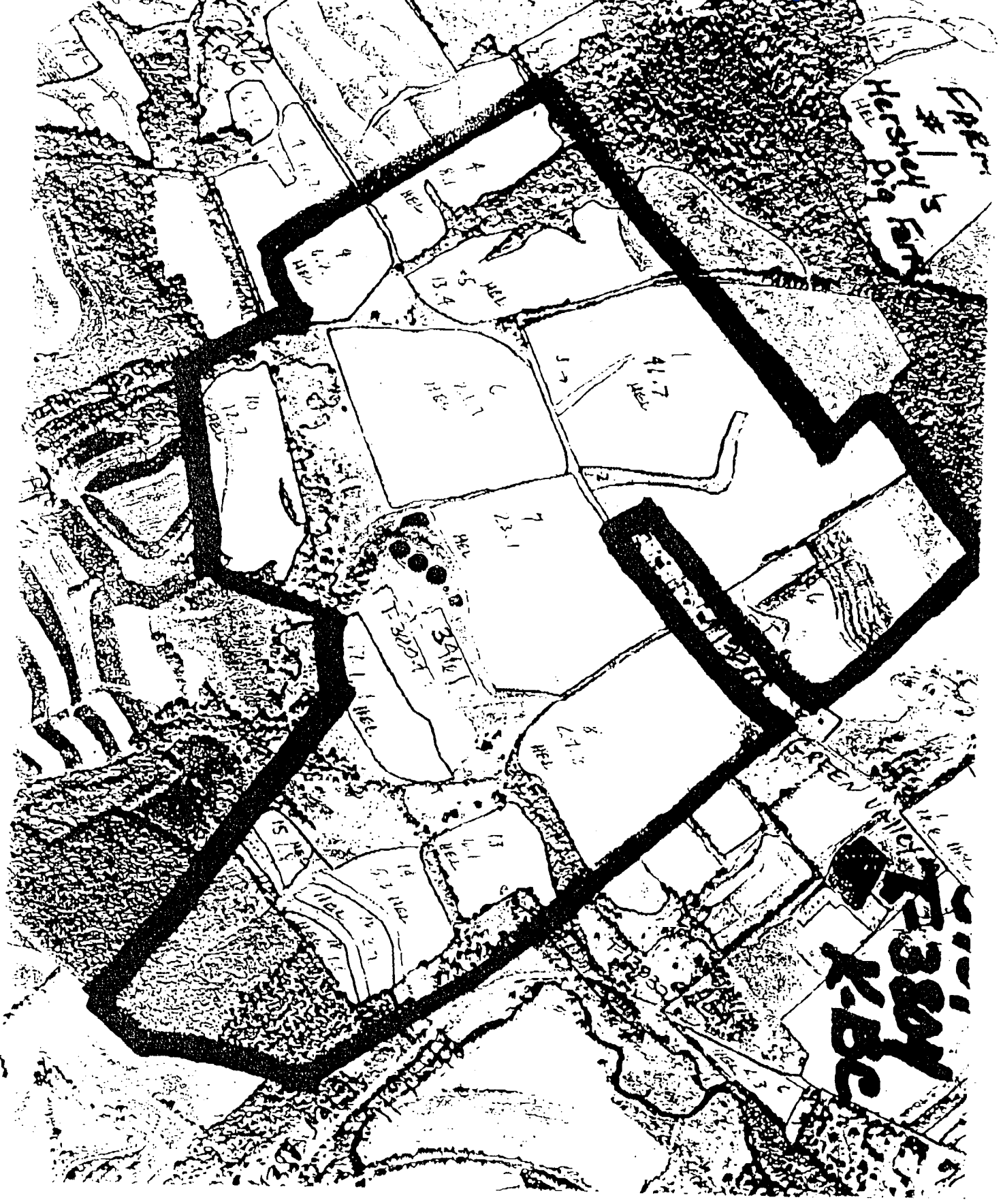
¹¹ This is assuming the previous hay crop received a manure application of 16,000 gallons per acre and is continuously receiving manure for a residual of 25%.

Manure Management Section

The manure from these animals is completely contained in the houses under the floors in a pull plug system. The manure is moved from the houses to a concrete storage facility outside the buildings. There are multiple storage facilities to hold the manure. When one is full storage facility is full the manure runs over into the second facility. There are three storage facilities. Normally the second facility never gets over half full before they are emptied. There is adequate land available throughout the year to always be applying the manure to some crop. I recommend that for each of the next few years a manure test be collected, at a minimum, once every other year or once every year.

Storm Water Runoff Control Section

There is a conservation plan for this farm. These practices must be implemented as part of this nutrient management plan.





08/04/88 TUE 15:04 FAX 717 291 1534

HERSHEY EQUIP.

717-859-3416

P.09

Aug-04-98 11:17A BACS

MANURE APPLICATION PLAN UTILIZED BY SHEARER.
THE CURRENT CROP WAS CORN. THE PREVIOUS CROP
WAS WHEAT. THE APPLICATION RATE WAS 18,000 GALLONS
PER ACRE.

Manure Application and Additional Fertilizer Needs by Crop Group:

Current Crop	Previous Crop	Manure Group	Net Nitrogen Needs (lb./acre)	Manure App. Timing	Manure Incorp. Timing	N Avail. Factor	H. Avail. From Manure (lb. N/100 gal.)	Balanced Manure Rate (gal./acre)	Planned Manure Rate (gal./acre)	Nitrogen Supplied by the Manure (lb./ac)	Nitrogen Balance after Manure Applied (lb./ac)
Corn	Wheat	Swine	130	Fall	NA	.20	0.7	18,371	18,000	126	4.0
Corn	Wheat	Swine	130	Spring	0 days	.50	1.75	7,428	7,000	122.5	7.5
Wheat	Corn	None	35	--	--	--	--	--	--	--	55.0
Soybeans	Corn	None	65.5	--	--	--	--	--	--	--	65.5
Mixed hay	Mixed hay	Swine	72.5	Summer	none	.20	0.7	10,357	10,000	70	2.5

Notes: Nutrient content of the manure groups are listed on page 5 of the plan.

Positive numbers in the nutrient balance columns indicate a shortfall of these nutrients.

See page 3 and the attached maps for restricted areas for manure application.

The Balanced rate is determined by the following formula:

$$\text{Net nitrogen (lb./acre)} + \text{N. Avail. From Manure (lb. N/100 gal.)} \times 100$$

$$77.5 + 1.225 \times 100 = 6,326 \text{ gallons/acre}$$

The N. Available from manure is determined by the following equation:

$$\text{Nitrogen concentration of manure (lb. N/100 gal.)} \times \text{N Avail. Factor (From Agronomy Guide)}$$

$$3.5 \text{ lb. N/100 gal.} \times .33 = 1.225 \text{ lb. N/100 gal.}$$

This should be split applied with no single application rate being greater than 10,000 gallons per acre.

This nitrogen needs to be applied as a commercial nitrogen source.

No additional nitrogen is recommended for this crop. Legumes have the ability to fix their own nitrogen and do not need any additional nitrogen added.